

should have been interpreted as being in effect then, it is highly unlikely in my humble opinion that many, many of the things that occurred in State Securities could ever have occurred. Be that as it may, the purpose of this amendment then is to make it clear that at least to the degree reasonably and legally possible the Banking Department would have the authority in statute, in law, to regulate those things. Number three is probably, if I were picking something, the single most important and maybe one of the briefest and it does this. It is going to allow the Department of Banking to do "something other" than close a bank when its blanket bond is cancelled by the carrier. Your next question would obviously be, well, what is this something other. The something other might be in all probability allowing the institution to continue to operate rather than, as the law says now, close it immediately. Let me repeat that. The law now says, as do most other states by the way, that when the blanket bond required for that institution is cancelled by the carrier for any reason that the institution must be closed immediately. Without going into a lot of detail, if this law remains on the books and is strictly enforced, it is highly likely that a significant number of institutions would be forced into closure immediately which closure is not warranted and is not in the best interest of the State of Nebraska. So this would give the Banking Director the authority to look at the situation and allow that institution to remain open under such conditions as the Banking Director chose, and it might allow him to have a higher deductible on the bond, it might...it would give him the flexibility to do something other than simply closing some institutions. The next item, number five, is maybe equally important. I said the other one was the most important but this one certainly is, too. It would allow the Department of Banking to more flexibly deal with a bank's ownership of other real estate which is taken in lieu of foreclosure. Let me explain that. At the present time we have a very large number of the rural banks, the agricultural banks, that have had to take property and have ended up with a farm or other property in their "inventory", a situation that rarely if ever has existed for our banking institutions in the last 50 some years. Now under the present system about the only thing the bank can do with that farm that may be a quarter of a million or a half a million or a million dollar farm or farms or property, about the only thing they can do is shove that property on to the market in an already depressed market, maybe take a fraction